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September 23, 2005

Mr. Charles L. A. Terreni Chief Clerk/Administrator South Carolina Public Service Commission Synergy Business Park, The Saluda Building 101 Executive Center Drive Columbia, South Carolina 29210

Re:

Petition of MCImetro Access Transmission Services, LLC for Arbitration of Certain Terms and Conditions of Proposed Agreement with Horry Telephone Cooperative, Inc. Concerning Interconnection and Resale under the Telecommunications Act of 1996

Docket No. 2005-188-C

Dear Mr. Terreni:

Enclosed for filing on behalf of Horry Telephone Cooperative, Inc., please find an original and twenty-five (25) copies of the Surrebuttal Testimony of Valerie Wimer and an original and twenty-five (25) copies of the Surrebuttal Testimony of Douglas Duncan Meredith in the above-referenced matter. By copy of this letter and Certificate of Service, all parties of record are being served with one (1) copy each of these testimonies.

Please clock in a copy of this filing and return it to us with our courier.

Thank you for your assistance.

Mayauthu. Fox
Margaret M. Fox
OKDale Very truly yours,

MMF/rwm Enclosures

Parties of Record cc:

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2005-188-C

RE: Petition of MCImetro Access Transmission
Services, LLC for Arbitration of Certain Terms
and Conditions of Proposed Agreement with
Horry Telephone Cooperative, Inc. Concerning
Interconnection and Resale under the
Telecommunications Act of 1996

CERTIFICATE OF
SERVICE

I, Rebecca W. Martin, Secretary for McNair Law Firm, P. A., do hereby certify that I have this date served one (1) copy of the Surrebuttal Testimony of Valerie Wimer and one (1) copy of the Surrebuttal Testimony of Douglas Duncan Meredith in the above–referenced matter on the following parties of record by causing said copies to be hand-delivered via Firm courier to the addresses shown below.

Darra W. Cothran, Esquire Woodward Cothran & Herndon 1200 Main Street, Suite 600 Columbia, South Carolina 29201 Shannon B. Hudson, Esquire South Carolina Office of Regulatory Staff 1441 Main Street, Suite 300 Columbia, South Carolina 29201

I further certify that the below party of record has this date been served one (1) copy of the Surrebuttal Testimony of Valerie Wimer and one (1) copy of the Surrebuttal Testimony of Douglas Duncan Meredith via the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below.

Kennard B. Woods, Esquire MCI Law and Public Policy Six Concourse Parkway Suite 600 Atlanta, Georgia 30328

McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina

(803) 799-9800

September 23, 2005

Columbia, South Carolina

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2		THE PUBLIC SERVICE COMMISSION
3		OF SS 32
4		SOUTH CAROLINA
5		Docket No. 2005-188-C
6		
7		SURREBUTTAL TESTIMONY OF VALERIE WIMER
8		
9	Q:	ARE YOU THE SAME VALERIE WIMER THAT PROVIDED DIRECT
10		TESTIMONY IN THIS PROCEEDING?
1	A.	Yes.
12		
13	Q.	ON WHOSE BEHALF ARE YOU TESTIFYING?
14	A.	I am testifying on behalf of Horry Telephone Cooperative, Inc. ("Horry").
15		
16	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
17	A.	The purpose of my testimony is to insure a factual representation of Horry's
18		position and to correct inaccurate statements made in Mr. Darnell's rebuttal
19		testimony with respect to Issue #10 concerning the negotiation of reciprocal
20		compensation, Issue #9 concerning number portability, and Issues #1, #6, and #8
21		concerning identification of traffic.
22		

1	Q.	DURING NEGOTIATIONS WITH MCI IN DOCKET NO. 2005-67-C, WAS
2		A RECIPROCAL COMPENSATION RATE DISCUSSED?

A. No. I was an active participant in the negotiations between MCI and the rural local exchange carriers in that docket (Home Telephone Company, PBT Telecom,
Hargray Telephone Company, and Farmers Telephone Cooperative). Mr.
Darnell's statement that the issue of a reciprocal compensation rate was
"extensively discussed" (Darnell Rebuttal at page 45, lines 15-16) is simply not true.

Q. WHAT IS YOUR RECOMMENDATION ON THIS ISSUE?

11 A. The reciprocal compensation rate was never negotiated and therefore is not an issue for arbitration before the Commission.

A.

Q. REGARDING ISSUE #9, IS HORRY CURRENTLY MEETING ITS OBLIGATION TO PROVIDE LOCAL NUMBER PORTABILITY?

Yes. Horry is meeting its obligation to provide number portability. Horry is currently porting numbers to wireless carriers. Horry has agreed to port numbers to end users that are served directly by MCI. Horry accepts competition and has numerous agreements with other carriers who compete in Horry's territory. Horry does not discriminate against any carrier competing in its territory, as Mr. Darnell suggested at page 22 line 9 and lines 15-17 of his Rebuttal Testimony.

Q. IS PORTING IN THE PUBLIC INTEREST WHEN THE TWO CARRIERS ARE UNDER DIFFERENT REGULATORY RULES?

A. No. Competition is only fair when both competitors are operating under the same regulations. Unless the FCC determines that VoIP is a telecommunications service, VoIP providers like Time Warner Cable Information Services ("TWCIS") will not operate under the same regulations as telecommunications service providers. MCI's compliance with some of the regulations in relation to its wholesale services is not a surrogate for TWCIS to fulfill its obligations to end users. If Horry were forced to port numbers to a carrier who will in turn port them to a VoIP provider – where there are no federal requirements for such porting – then there would not be a level playing field. No carrier should receive regulatory or competitive benefits without also being subject to the corresponding regulatory and statutory obligations.

A.

Q. HAS MCI DEMONSTRATED IN MR. DARNELL'S DIRECT OR REBUTTAL TESTIMONY THAT MCI MEETS THE REQUIREMENTS OF SERVICE PROVIDER PORTABILITY?

No. Nothing in MCI's testimony or rebuttal testimony demonstrates that the end user receives telecommunications service before and after the port and is served by a telecommunications service provider before and after the port. Under the proposed MCI/TWCIS arrangement, MCI is a telecommunications service provider but provides only a wholesale service to TWCIS. MCI does not serve the TWCIS end user. Porting numbers to TWCIS end users through MCI does

not qualify as local number portability under the Act or FCC rules. Horry has
repeatedly offered to MCI that it will port to all the end users that MCI directly
serves.

4

- MR. DARNELL CHARACTERIZES YOUR TESTIMONY AS BOTH
 STATING THAT THE SBCIS ORDER ALLOWS PORTING TO VOIP
 SERVICE PROVIDERS (DARNELL REBUTTAL AT PAGE 23 LINES 1-5)
 AND THAT THE ORDER DOES NOT ALLOW FOR PORTING
 (DARNELL REBUTTAL AT PAGE 23 LINES 12-14). CAN YOU PLEASE
 CLARIFY YOUR POSITION?
- 11 A. My testimony is that the SBCIS Order simply does not address any obligations for
 12 porting at all. Mr. Darnell's testimony seems to be intent on confusing the
 13 Commission on what is and is not in the SBCIS Order by first stating one
 14 position, then stating the opposite position and attributing them both to me. My
 15 earlier testimony is clear and speaks for itself. (See Wimer Direct Testimony at
 16 pages 31-32).

17

- Q. HOW SHOULD THE COMMISSION RULE ON NUMBER
 19 PORTABILITY?
- 20 A. The Commission should adopt Horry's position on this issue because it is 21 consistent with Horry's obligation to meet the FCC requirements on number 22 portability.

WITH RESPECT TO CALLING PARTY IDENTIFICATION, WOULD A Q. REQUIREMENT TO PROVIDE JURISDICATIONAL INDICATOR PARAMETER (JIP) INFORMATION ON CALLS CREATE A BARRIER TO MCI'S INTERCONNECTION WITH HORRY, AS MR. DARNELL TESTIFIES (DARNELL REBUTTAL AT PAGE 28, LINE 14 THROUGH PAGE 29, LINE 2 AND PAGE 29, LINE 30 THROUGH PAGE 31, LINE 3)? No. Mr. Darnell states that MCI would have to perform several functions to A. implement multiple JIPs. These functions, such as building tables and managing trunk groups, are normal functions of managing a switch.

Q. IS THE AMOUNT OF EFFORT REQUIRED TO IMPLEMENT MULTIPLE JIPS UNDULY BURDENSOME?

A. No. There is always going to be some effort involved in implementing a new standard or even a new interconnection agreement. However, Horry has implemented multiple JIPs in its switching network and has not experienced an undue burden. In fact, JIP implementation was accomplished within 3 hours. In Horry's case, JIP implementation was a one-time event with little or no recurring administration or associated cost. There is no evidence that MCI's implementation would be any different from Horry's. Mr. Darnell does not quantify that the effort is burdensome or actually restricts the use of MCI's switch.

1	Q.	DOES IMPLEMENTING	JIP	RESTRICT	THE	CAPACITY	OF	THE
2		SWITCH?						

A. No. The partitioning of the switch referenced by MCI does not alter the ultimate capacity of the switch.

5

O DOES REQUIRING MULTIPLE JIPS VIOLATE THE FCC'S TRIENNIAL REVIEW REMAND ORDER ("TRRO")?

A. No. First, there is no requirement in the FCC's TRRO that links interconnection and the location or capacity of the CLEC switch. The TRRO only uses the rationale for a CLEC switch covering multiple areas to show that a CLEC can have the same economies of scale as an ILEC for switch unbundling (not interconnection). Second, even if there were a requirement to not limit the switch, implementation of JIP does not alter MCI's ability to serve multiple LATAs or multiple states with a single switch.

15

16 Q. IS A REQUIREMENT FOR MULTIPLE JIPS PER SWITCH THE 17 INDUSTRY STANDARD?

18 A. Yes. The industry standard is to implement one JIP per switch per LATA per 19 state. Horry is requesting that MCI comply with the full standard.

1	Q.	MR. DARNELL TESTIFIES THAT THE ONLY REASON JIP IS AN
2		ISSUE IS BECAUSE THE RATES DIFFER BASED ON JURISDICTION,
3		AND THAT "LECs HAVE IT WITHIN THEIR POWER TO FIX THIS
4		PROBLEM BY MAKING THE RATES IN ALL JURISDICTIONS THE
5		SAME." (DARNELL REBUTTAL AT PAGE 35, LINES 5-7). IS THAT
6		TRUE?

7 A. No. Horry's rates are regulated by the Commission at the state level and by the FCC at the federal level. Horry cannot unilaterally change the intercarrier compensation rules set by the FCC and this Commission.

11 Q. HOW SHOULD THE COMMISSION RULE ON JIP AND THE 12 IDENTIFICATION OF TRAFFIC?

A. The Commission has ruled that intercarrier compensation should be based on the physical location of the customer. To implement this rule, JIP is useful (and in same cases critical) in identifying the physical location of the customer. As stated in my original testimony, JIP is a standard, it can be used in audits to properly rate intercarrier compensation, and it is not unduly burdensome to implement. The Commission should adopt Horry's recommended language on Calling Party Identification issues.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

22 A. Yes.

FILE COPY

1		BEFORE
2		THE PUBLIC SERVICE COMMISSION OF SC PUBLIC SERVICE COMMISSION
3		OF SEE 2
4		SOUTH CAROLINA Docket No. 2005-188-C
5		Docket No. 2005-188-C
6		
7		
8		SURREBUTTAL TESTIMONY OF DOUGLAS DUNCAN MEREDITH
9		
10	Q:	ARE YOU THE SAME DOUGLAS DUNCAN MEREDITH THAT PROVIDED
11		DIRECT TESTIMONY IN THIS PROCEEDING?
12	A:	Yes.
13		
14	Q:	WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?
15	A:	The purpose of this surrebuttal testimony is to respond to a number of factually
16		incorrect or misleading statements contained in the Rebuttal Testimony of Greg
17		Darnell filed on behalf of MCImetro Access Transmission Services, LLC.
18		
19	Q:	IN HIS REBUTTAL TESTIMONY AT PAGE 2, LINE 9, MR. DARNELL
20		STATES THAT "MCI IS ASKING FOR THINGS THAT HORRY ALREADY
21		PROVIDES ITSELF AND OTHER LECS." IS THIS TRUE?
22	A:	No, it is not. The services MCI seeks from Horry are not provided by Horry to itself
23		or to other carriers.

1 Q: WHAT IS THE NEXT AREA OF MR. DARNELL'S TESTIMONY WHERE

YOU WISH TO CORRECT THE RECORD?

Mr. Darnell expounds extensively on my characterization that this proceeding is precedent setting for rural carriers in South Carolina. (Darnell Rebuttal, pages 2-6) Mr. Darnell attempts to show that communities served by Horry are well-to-do and are not rural. Mr. Darnell uses data for Horry County as his evidence. However, a close inspection of the communities listed by Mr. Darnell show that the majority of them are not served by Horry at all, but by Verizon South, Inc. - a non-rural carrier. (See Exhibit SR-DDM-01) The fact that non-rural carriers serve the more urbanized areas of counties within the State of South Carolina like Horry County serves to underscore the fact that rural carriers are left with the less-densely-populated areas. Mr. Darnell even testifies that Horry is not a rural carrier. (Page 4 line 2) This testimony is clearly false. It completely ignores not only the rural nature of Horry's service area, but the company contained in the federal definition of rural telephone Telecommunications Act. Horry is without question a rural telephone company as defined in Section 153(37) of the Act.

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Q: DO YOU AGREE WITH MR. DARNELL'S VIEW OF THE CONDITIONS FOR HIGH COST SERVICE (DARNELL REBUTTAL AT PAGE 4, LINES 12-

20 16)?

A:

No. Mr. Darnell's characterization is both oversimplified and inaccurate. He states the primary conditions that cause high per-unit cost are low populations and mountains. His shorthand on this subject is far too simplistic. If identifying high cost

	areas were as easy as Mr. Darnell suggests, the Federal Communications Commission
	("FCC") would not have spent the last nine years working on universal service issues.
	Mr. Darnell's conclusion that Horry is not a high-cost area is based on false premises
	and faulty logic.
Q:	ON PAGE 5, LINE 19, MR. DARNELL STATES THAT SPIRIT TELECOM IS
	AN AFFILIATE OF HORRY. IS THIS TRUE?
A:	No. I understand that Horry has a small ownership interest in Spirit, but Spirit is not
	considered an affiliate of Horry.
Q:	MR. DARNELL CLAIMS THAT HORRY IS SEEKING "REGULATORY
	PROTECTION." (DARNELL REBUTTAL AT PAGE 6, LINES 2-3) IS THAT
	TRUE?
A:	Not at all. Horry voluntarily gave up the rural exemption it is entitled to under federal
	law as a rural telephone company in 1998. Horry has agreements with numerous
	carriers that have sought to provide local service in Horry's service area. Horry is not
	seeking "regulatory" or any other protection. In fact, Horry has negotiated in good
	faith with MCI in this matter. Horry simply is trying to reach an agreement with MCI
	that is consistent with the obligations Horry has under federal and state law. MCI
	seeks to have Horry provide services beyond those that Horry is legally obligated to
	provide. Horry's refusal to do so does not constitute "regulatory protection."
	A: Q:

The specific policy that MCI objects to is Horry's insistence on the necessity for a direct relationship between entities exchanging traffic with one another. A significant portion of Mr. Darnell's Rebuttal Testimony is spent misconstruing Horry's position and my direct testimony on this matter as an attempt to require "direct interconnection." (Darnell Rebuttal at pages 8-17) As I have stated in my testimony, a carrier may interconnect directly or indirectly with another carrier; however, this does not absolve the interconnection carrier from establishing a direct relationship – either through an interconnection agreement or a traffic exchange agreement, both standard agreements used for Section 251 traffic – with the terminating carrier for this traffic. These agreements state the duties and expectations of each carrier. (*See* 47 CFR § 51.701 for a two-party description of reciprocal compensation.)

Q:

A:

MR. DARNELL RELIES ON SECTION 251(a) OF THE ACT TO SUPPORT HIS CLAIM THAT INTERCONNECTION REALLY MEANS INTERCONNECTION AND THE EXCHANGE OF TRAFFIC. HOW DO YOU RESPOND?

I disagree. First, Mr. Darnell states that interconnection and traffic exchange can be conducted exclusively under Section 251(a) of the Act. This interpretation is not consistent with the Act nor is it consistent with how the FCC has interpreted the Act. Section 251(a) deals with physical interconnection only. Section 251(b)(5) addresses the transport and termination of traffic. Reading through the eyes of Mr. Darnell, there would be absolutely no need to ever look at Section 251(b)(5) because everything is contained in Section 251(a). I assume that the lawyers will brief this

matter as it deals with statutory construction. Nevertheless, Mr. Darnell's testimony is inconsistent with the plain language of the Act.

The meaning from the Act and FCC orders interpreting the Act is that carriers may indirectly interconnect with one another; however, this physical interconnection method does not absolve them of formalizing these arrangements with carrier agreements. My understanding is that no carrier may tariff the terms and conditions for Section 251 traffic – hence, the only avenue available for Section 251 traffic terms and conditions is an agreement between the <u>originating</u> and <u>terminating</u> carriers. MCI seeks to interject itself improperly between the originating and terminating parties. Horry welcomes an agreement with MCI for MCI end-user originated traffic. That is the extent of Horry's obligation under the Act.

O:

HAS MR. DARNELL CORRECTLY CHARACTERIZED THE FCC's LOCAL COMPETITION ORDER PARAGRAPH YOU CITED IN YOUR TESTIMONY?

No. On pages 12 and 13 of his Rebuttal Testimony, Mr. Darnell attempts to dismiss paragraph 1034 of the FCC's Local Competition Order as a discussion of interexchange traffic and access rates. I believe Mr. Darnell misses the key points of the paragraph. I cite the entire paragraph for the record. Inasmuch as the paragraph supports my testimony, no further discussion is really necessary.

1034. We conclude that section 251(b)(5) reciprocal compensation obligations should apply only to traffic that originates and terminates within a local area, as defined in the following paragraph. We disagree with Frontier's contention that section 251(b)(5) entitles an IXC to receive

reciprocal compensation from a LEC when a long-distance call is passed from the LEC serving the caller to the IXC. Access charges were developed to address a situation in which three carriers -- typically, the originating LEC, the IXC, and the terminating LEC -- collaborate to complete a long-distance call. As a general matter, in the access charge regime, the long-distance caller pays long-distance charges to the IXC, and the IXC must pay both LECs for originating and terminating access service. By contrast, reciprocal compensation for transport and termination of calls is intended for a situation in which two carriers collaborate to complete a local call. In this case, the local caller pays charges to the originating carrier, and the originating carrier must compensate the terminating carrier for completing the call. This reading of the statute is confirmed by section 252(d)(2)(A)(i), which establishes the pricing standards for section 251(b)(5). Section 251(d)(2)(A)(i) provides for "recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier." We note that our conclusion that long distance traffic is not subject to the transport and termination provisions of section 251 does not in any way disrupt the ability of IXCs to terminate their interstate long-distance traffic on LEC networks. Pursuant to section 251(g), LECs must continue to offer tariffed interstate access services just as they did prior to enactment of the 1996 Act. We find that the reciprocal compensation provisions of section 251(b)(5) for transport and termination of traffic do not apply to the transport or termination of interstate or intrastate interexchange traffic. (Emphasis added; footnotes omitted)

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Q: DO YOU AGREE WITH MR. DARNELL REGARDING THE FCC'S ANALYSIS OF INTERCONNECTION AND EXCHANGE OF TRAFFIC?

No. Mr. Darnell suggests this Commission should discount the FCC's analysis of interconnection and the exchange of traffic. He attempts to deflect Court and FCC guidance on this matter. Mr. Darnell suggests on page 11, line 3 of his Rebuttal Testimony that Section 251 traffic was handled prior to the Act through indirect interconnection. This is mischaracterized. Section 251 traffic did not exist prior to the Act. Mr. Darnell attempts to suggest that indirect interconnection for interexchange traffic is similar to Section 251 traffic. It is not. Perhaps the clearest distinction between the two in this application is that the long distance carrier – be it MCI or

another – has a direct relationship with the end-user customer. Hence, the carrier may use indirect interconnection but still must have a direct relationship to establish key terms and conditions of the service.

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Q: MR. DARNELL SUGGESTS THAT THE ATLAS CASE IS NOT RELEVANT TO THE ISSUES IN THIS MATTER. DO YOU AGREE?

No. Mr. Darnell suggests that the FCC's analysis in Atlas is limited to that particular case. (See Darnell Rebuttal at page 14, lines 17-18) Mr. Darnell's analysis is false As I have mentioned in my testimony, the FCC and his conclusion is erroneous. stated: "In the Local Competition Order, we specifically drew a distinction between 'interconnection' and 'transport and termination,' and concluded that the term 'interconnection,' as used in section 251(c)(2), does not include the duty to transport and terminate traffic." (See Meredith Testimony note 10) (emphasis supplied). The United States Court of Appeals for the DC Circuit confirmed this analysis in its review of the Atlas case. (See AT&T Corporation v. Federal Communications Commission, 317 F.3d 227 (D.C. Cir. 2003) ("Atlas/Total argues that 'the duty . . . to interconnect' in § 251(a)(1) 'encompasses the duty to exchange traffic' between the networks, not just the duty to establish a physical linkage between networks. . . . As the [FCC] points out, both the text of § 251(a)(1) and the structure of § 252 strongly indicate that to 'interconnect' and to exchange traffic have distinct meanings.") (emphasis added)). Contrary to Mr. Darnell's argument that the FCC's analysis is limited to this particular case, the reality is that the FCC has consistently treated interconnection and transport

1		and termination separately. Despite Mr. Darnell's attempt to deny its existence, there
2		is a long standing distinction between interconnection and transport and termination.
3		
4	Q:	MR. DARNELL STATES THAT HORRY'S AFFILIATE PROVIDES VOIP
5		SERVICE TO CUSTOMERS (DARNELL REBUTTAL AT PAGE 16, LINE 13).
6		IS THIS CORRECT?
7	A:	No. Neither Horry nor any of its affiliates provide VoIP service to customers.
8		
9	Q:	ON PAGE 44, LINES 9-16 OF HIS REBUTTAL TESTIMONY, MR. DARNELL
10		CLAIMS THE FCC DID NOT LIMIT THE APPLICATION OF ITS ISP
11		REMAND ORDER TO MODEMS LOCATED IN THE LOCAL CALLING
12		AREA. DO YOU AGREE?
13	A:	No. I described in detail the history of the ISP proceeding in my direct testimony.
14		Please see page 26 of my direct testimony in this proceeding.
15		
16	Q:	MR. DARNELL STATES THAT HORRY HAS CONCEDED TO USE \$0.0007
17		FOR CALLS DIRECTED TO MODEMS LOCATED WITHIN THE LATA
18		(DARNELL REBUTTAL AT PAGE 44, LINES 6-7). IS THIS STATEMENT
19		TRUE?
20	A:	No. The following question and response from my direct testimony shows Mr.
21		Darnell either did not read my response or purposely mischaracterized my testimony.

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1	

2 4 Q.

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Q:

13 A:

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A:

Q:

Yes.

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DO YOU AGREE THAT MCI'S PROPOSED \$0.0007 RATE IS THE

APPROPRIATE RATE TO APPLY IN THE EVENT THAT THE

No. The \$0.0007 rate was established by the FCC with specific conditions.

Specifically, this rate only applies if a LEC has opted into the interim

compensation mechanism established by the FCC. (ISP Remand Order at 89)

Horry has not opted into the FCC's interim compensation mechanism.

Consequently the \$0.0007 per minute rate does not apply to Horry.

MR. DARNELL CONTINUES TO ALLEGE THAT THE \$0.007 RATE IS

consequently there cannot be an arbitration award for any rate for intraLATA traffic

originated and terminated by MCI and Horry end-user customers.

DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?

This issue was never discussed in negotiations with MCI and Horry and

APPROPRIATE. DO YOU AGREE?

TRAFFIC EXCHANGED BY THE PARTIES IS OUT-OF-BALANCE?

EXHIBIT SR-DDM-01

